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ABSTRACT

The present public library financing system is described and assessed, and the key issues for consideration in either reaffirming its continued use or in the development of new approaches are delineated. Special emphasis is given to illuminating those issues and factors affecting metropolitan areas--both core city and suburban fringes. The perspective includes Federal, state, and local legal bases, policies, and mechanisms used in financing public libraries' capital and operational needs. The issues provide information essential to the development of alternative role and funding options for consideration at the Federal level. The inquiry also suggests the need for the possible directions of additional research required to resolve the issues developed. The examination is based on secondary source data and available research materials and did not involve any new assessment of library service needs of the collection of new data on funding levels among local communities. A 27-item bibliography is appended. (Author/PF)

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BASIC ISSUES IN THE GOVERNMENTAL FINANCING OF PUBLIC LIBRARY SERVICES

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May 1973

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Prefatory Note

The objective of this paper is to examine and generally evaluate the bases, patterns of support and funding mechanisms through which Federal, state and local governments finance public library services. A need exists to describe and analyze critically the extent to which existing support patterns are adequate in terms of sound principles of public finance and in the light of existing and future funding problems in the public library field. Legislative bodies at all levels of government, public library administrators and interested observers are expressing increasing concern over the funding of public library services as questions concerning role, support bases and changing library service needs become evident. Roles and responsibilities of Federal, state and local governments are being discussed and studied, but efforts to examine the support base as a problem in intergovernmental finance have been sporadic and diffused. Thus, the specific intent is to describe and assess the present public library financing system and to delineate key issues for consideration in either reaffirming its continued use, or in the development of new approaches. Special emphasis is given to illuminating those issues and factors affecting metropolitan areas - both core city and suburban fringes.

The perspective includes Federal, state and local legal bases, policies and mechanisms used in financing public libraries' capital and operational needs. The issues, however,

provide information essential to the development of alternative role and funding options for consideration at the Federal level. The paper is not intended to provide specific recommendations for action by any level of government. The inquiry also suggests the need for, and possible directions of, additional research required to resolve the issues developed. The examination is based on secondary source data and available research materials and did not involve any de novo assessment of library service needs or the collection of new data on funding levels among local communities.

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Dr. Lowell A. Martin, Professor, Graduate School of Library Science, Columbia University, Mr. Keith Doms, Director, Free Library of Philadelphia, and Dr. Thomas J. Davy, Director, New Jersey Public Service Institute provided invaluable guidance and consultation to the project and critically reviewed the paper. Responsibility for the research performed and judgments expressed remain with GSS.

Charles P. Cella, Director
Government Studies and Systems
June, 1973

I. PERSPECTIVE ON PUBLIC LIBRARY FINANCE: AN OVERVIEW

The Current Scene

In a number of respects, it would have been easier to prepare this paper a year or two ago when revenue sharing was more a concept and less a reality. Only four years ago, Richard Leach, writing in Libraries at Large, stated:

> There is no doubt that the rapid burgeoning of Federal aid to libraries in recent years has had a major impact on library needs and on the solution of the nation's library problems. Indeed, it would appear that the battle for library aid has been largely won. The Government has recognized libraries as a vital part of the total education complex and has made a definite and long-range commitment to aid libraries in fulfilling their role.[1]

Matching the glowing optimism of that statement against the following terse statement in the Federal Budget for FY 1974 indicates the magnitude of current turbulence in the public library financing field.

> Grants and payments are made to States, educational institutions, and other agencies for support of library programs under the Library Services and Construction Act, the Elementary and Secondary Education Act, and the Higher Education Act. In 1973 library programs ... are being funded under a temporary continuing resolution in effect for the period from July 1, 1972, to February 28, 1973. In 1974, Federal support will be discontinued.[2]

Admittedly, support of libraries is one of the designated objects included in the general revenue sharing measure under which $30 billion will be distributed to states and local governments over the next five years. But even the language of the revenue sharing act is guarded and somewhat convoluted as it states: "Funds received by units of local

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[1] Richard H. Leach, in Libraries at Large, Douglas M. Knight and E. Shepley Nourse, Editors, RR Bowker Company, New York, 1969, p. 377

[2] The Budget of the U.S., 1974, Appendix, p. 432.

government under this subtitle may be used only for priority expenditures. For purposes of this title, the term 'priority expenditures' means only (1) ordinary and necessary maintenance and operating expenses--and-- (2) ordinary and necessary capital expenditures authorized by law" (emphasis added).[3] While in some instances, public libraries have already received, or have been promised, some of these funds, few library officials are sanguine about future prospects. Many agree with the statement, as The Wall Street Journal puts it, that the President's proposed budget cuts are likely to "dim" the lamp of book-learning. Federal aid to libraries represents about $140 million - a relatively small amount, and only about 7 percent of the nation's library expenditures. Nevertheless, Federal input is crucial in the view of most librarians, perhaps far more important than direct aid. Federal programs under the Library Services and Construction Act (LSCA) have required and triggered a more substantial flow of state funds in support of local libraries. Oddly enough, the reported success of the present program is used as part of the argument for its elimination. More basically, however, as the Journal article points out, "The Administration says libraries are local things, which Uncle Sam has no business paying for,...(and that)...librarians can make up the loss of earmarked aid funds by persuading state

[3]State and Local Fiscal Assistance Act of 1972, Section 103.

and local officials to let them have revenue sharing dollars. Librarians doubt they can compete with teachers, firemen, sewage-treaters and other local operatives for those precious revenues Washington has promised to share with the states and towns and cities". [4]

So there you have it: the main support program, for public libraries at the Federal level, which grew from its initial form in 1956, which was supported by the noblest rhetoric of successive Presidents, and which expended about $500 million in its 16-year history - is now under threatened extinction. A policy of clear and continuing Federal involvement in the fiscal support and functional development of public libraries is now under threatened reversal by a program of intergovernmental fiscal reform supported by a new notion that such institutions should be the exclusive concern of state and local governments.

This is the perspective of the moment, but it may prove to be transitory, depending on how Congress responds to the proposed Presidential budget cuts and the special revenue sharing measures now under consideration.

Possibilities and Prospects Under Revenue Sharing

The concept of revenue sharing, in one form or another, has been around for a number of years. It represents a response to a variety of needs and observed developments in inter-governmental fiscal affairs including the following:

[4] The Wall Street Journal, Tuesday, February 27, 1973, p. 42

- the accumulation of vast fiscal resources and power of the Federal government, a product in large measure, of the elasticity and productivity of the Federal income tax in an expanding economy;

- a continuing expansion of Federal aid programs from $6.6 billion in 1959 (14 percent of state-local expenditures) to $45 billion in FY 1973 (24 percent of state-local expenditures);

- the distribution of Federal aid through an increasing maze of categorical programs (over 500 in 1972) with much attendant red tape and dissatisfaction with performance evidenced at all governmental levels;

- the continuing dire financial circumstances affecting local governments, particularly larger urban governments, as they face increasingly restricted tax bases and higher service costs.

The expanded use of block grants and various grant consolidation schemes were measures seen as compatible with revenue sharing, but sudden budget slashes including elimination of specific programs, were not a part of that concept. There is increasing evidence that some major budget cuts will be restored: witness the Administration's change of heart with respect to the funding of day care centers. Furthermore, there is evidence of second thoughts about the wide-spread elimination of categorical aid programs. Senator Muskie, in introducing the Intergovernmental Cooperation Act of 1973, now awaiting Congressional action, reported results of a nation-wide poll of local government officials seeking reactions to revenue sharing and elimination of categorical aid programs. The poll indicated that many local officials see revenue sharing

serving one kind of need, while categorical aid serves other needs. As a local official from Portland, Oregon responded:

> The goal to be achieved through revenue sharing has no relationship with the goals to be achieved through the categorical grant program. An example is that I should not expect revenue sharing would accelerate the construction of waste treatment plants or solid waste disposal systems, however, I am confident that a strong categorical grant program would achieve this national goal. It is my conclusion then that categorical grant programs should not be curtailed because of revenue sharing, but should be continued according to the national goals as set by Congress.[5]

Congress is likely to hear an increasing number of such statements as the potential effects of budget cuts and categorical grant aid eliminations are realized. Some observers are now calling for a postponement of consideration of the proposed four special revenue sharing measures for at least one year and a reinstatement at current levels of the grant programs affected. The Advisory Commission on Intergovernmental Relations (ACIR), a leading exponent of revenue sharing in the past, will hold hearings on the impact of the measure at its June meeting, 1973.

But make no mistake. If current cut-backs and grant program eliminations win Congressional approval, local public libraries are likely to face tough financial sledding as they vie with other demands for the local and state tax dollar. Witness the strong advice of L. L. Ecker-Racz, former Assistant Director of ACIR:

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[5]Information Bulletin No. 73-4, Advisory Commission on Intergovernmental Relations, April, 1973, p. 2.

> Political leaders (should) muster the intestinal fortitude to resist using much of its revenue sharing entitlements, especially with initial years, for operating purposes. It should strive to dedicate these funds to non-recurring capital outlays, to tax reductions to replace tax anticipatory borrowing, possibly even refunding callable bonds.[6]

The event of revenue sharing, the proposed elimination of funding LSCA, and their combined potential negative impact on the governmental financing of public libraries should be seen neither as a special vendetta against libraries, nor as a reasoned position of new Federal policy in this area. LSCA represents simply one of the many Federal programs whose initiation and expansion was made possible by felicitous fiscal conditions and the hard work of such interested groups as the American Library Association and library officials throughout the Nation. Pressure to establish Federal policy for libraries was started as early as 1944 but achieved only relatively limited results with the enactment of the Library Services Act of 1956. Statements that the program has been so successful that it is no longer needed, or that it has represented a too little and too late effort are merely rationalizations or defensive justifications - neither is supported by hard measurable facts.

A Broader Perspective is Required

Regardless of the outcome of the revenue sharing issue and the Congressional review of the President's budget

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[6]L. L. Ecker-Racz, National Conference on State Supervision of Local Government Fiscal Performance, October, 1972, Philadelphia.

proposals, the problem of adequate and equitable funding for public libraries remains. Federal funding has represented only 7 percent of total library expenditures and has triggered a comparable level of funding from the states. As everyone knows, the bulk of the financial load falls upon local government supported in large measure, by the real estate tax base. Federal fiscal support and the impact of a reasoned, consistent policy about the development of public library services are, of course, important - perhaps even crucial. But a real understanding of library finance problems requires review and analysis of the public library, its development and history as a social institution, some insight as to its future role, and consideration of basic factors affecting, or likely to affect, the present pattern and effectiveness of its financial support.

The public library is a unique social and cultural institution, but that uniqueness should properly be viewed as <u>both</u> an asset and a liability. Concern over the financing system supporting public libraries has greatly increased recently because of erosions and weaknesses in the fiscal condition of local government and, as described above, because of Federal budget cut-backs and the unknown impact of general and special revenue sharing. The problem has deeper roots, however. It also involves changing perceptions of the role of the public libraries, changing library service

needs and the response to those needs, the costs and benefits of library services, and local, state and Federal roles in supporting library services. Public libraries in this country have a rich heritage in private philanthrophy. Perhaps it is true, in part at least, that this history has delayed the movement toward a fuller recognition of public responsibility and funding support for library services. This factor, plus the low political visibility of public libraries, and the continuing single and separate status of libraries with respect to other functions of government may have retarded development of more rational, responsive systems of local and intergovernmental fiscal support of public library services.

This is the perspective from which the identification and discussion of basic issues in the governmental financing of public library services will be undertaken. Succeeding sections will briefly review the history, critically evaluate some perceived major current problems, and examine potential future dimensions of public library services as a basis for the discussion of these basic issues.

II. GROWTH OF PUBLIC LIBRARY SERVICES AND GOVERNMENTAL FINANCING PATTERNS

Early Development

The history and development of public libraries are well-documented in the literature. Only highlights will be included here. The earliest forms of public library service in the United States were the "circulating" libraries of the colonial period. These libraries generally charged a fee for each book borrowed, or in other instances, membership fees were assessed and only members were allowed to borrow books from the library. Benjamin Franklin, that inveterate inventor, is often credited as the originator of this type of library in America when, together with some of his associates, he founded the Library Company in 1731. Other forms of library service in the eighteenth and early nineteenth centuries included large private collections and the collections of philosophical and scientific societies. These latter collections were sometimes quite prominent and strong scholarly libraries. But their strength depended upon endowment and legacies from wealthy members and by the end of the nineteenth century all of these early forms of library had been eclipsed by a new type of public library.

The modern public library is difficult to define precisely, but its major features were described as early as 1876: "The 'public library'...is established by state laws, is supported by local taxation or voluntary

gifts, is managed as a public trust, and every citizen of the city or town which maintains it has an equal share in its privileges of reference and circulation."[7] According to this definition, the two essential features of a public library are the necessity for universal service and the link between the library and governmental authority. This link was forged for the first time in 1848 when Boston passed a special law permitting the establishment of a public library and levying an annual tax for its support. The Boston Public Library opened its doors in 1854. The reading room was open to all adults and "recommended" young people.

Municipal support for public libraries spread to other cities, but the amount of revenue contributed by municipal governments to local libraries was rarely very large. The largest contributors to free public libraries were philanthropists: John Jacob Astor gave $400,000 to New York City to establish and maintain a free public library; other philanthropists included Lenox, Tilden, Fiske, Rockefeller, Morgan, Folger, Widener, and Mellon; the greatest of all the philanthropists was Carnegie. The list of Andrew Carnegie's benevolences for libraries is tremendous. Carnegie funds supported the erection of

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[7] U.S. Bureau of Education, Public Libraries in the United States: 1876 Report, Washington, D.C., Government Printing Office, 1876, p. 477.

1,677 library buildings in 1,408 different communities from 1896 to 1923. In one instance, Carnegie donated $5.2 million for the erection of 65 branch libraries in New York City alone.

The Growth and Impact of Governmental Interest: Local and State

Although private philanthropy has played an important role in the historical growth and development of public libraries, the major thrust for library development has been provided by local, state, and federal governments. The first state law providing for the establishment of public libraries was passed in New Hampshire in 1848. This act did not provide state aid for libraries. However, it did allow local authorities to levy taxes for library support, provided for free access for all, and allowed the city or town to receive bequests or gifts on behalf of the library. Massachusetts soon followed New Hampshire's lead and added a limit on the extent of municipal support for libraries. This law also allowed for the possibility of state aid for libraries from the education fund. Other states soon passed similar laws. By the end of the nineteenth century, all states had passed legislation providing for the establishment of public libraries and the levying of local taxes for their support. Furthermore, by 1875 all states had established a State Library for use by governmental officials, the judiciary, and generally the citizens residing near the state capitol.

In some respects, concern about the public library and its relationship to the State Library was an outgrowth of that Library's official duties. In any event, the public library functions soon grew beyond the mere provision of a circulating collection; a new role of extending library service to rural areas was developing and after 1890 most states had adopted plans for this service through their own library commissions and the State Library.

The relationship between the governmental library, in this case the State Library, and the development of public library services deserves analysis. This developmental role is also observable at the Federal level where the Library of Congress is viewed as the "national library", but is also criticized for not performing its leadership role. As Harold Orlans puts it: "LC (Library of Congress) responds rather than initiates; somehow our most indispensable library seems politically and administratively isolated from other major libraries within or outside of government. It is an empire unto itself, benevolent and hospitable, perhaps, but an empire nonetheless, rather than an agency involved in all of the normal processes of responsible and responsive democratic government."[8] Orlans then goes on to make what he describes as a widely

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[8] Observations and Government Library Organization and Policy by Harold Orlans, in Libraries At Large, edited by Douglas M. Knight and E. Shepley Nourse, RR Bowker Company, New York and London, 1969, pp. 387-388.

supported proposal to transfer the Library of Congress to the Executive branch sans its Legislative Reference Service. The justification advanced for this proposal is as follows: "At one stroke, it would remove all of the difficulties of formulating concerted Federal library and information policies which are attributable to the separation of powers."[9] The move is described as facilitating common direction for the Library as well as for Executive departments and agencies; "the Library could in turn" exercise a markedly greater influence over relevant Government programs, and serve more frequently as staff or Executive agent for coordinating these programs."[10]

The critical point to be made is this: the growth of public libraries is marked by a lack of clear delineation of functions between (1) providing library services, and (2) administering a broad program of developmental assistance to local public libraries. The orientation of these two functions is entirely different. Different agencies, staffed by quite different personnel, are required. It is dubious to assume that an agency whose operating objective is to provide a service - however ramified and complex - can at the same time provide administrative leadership and direction to an essentially broad-gauged governmental program, involving various levels

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[9] Ibid p. 388.

[10] Ibid p. 388.

of government and a whole set of intergovernmental fiscal and functional relationships. Such a situation is a little like assignment of national health care to the Walter Reed Hospital. Yet, this blurring of roles and lack of a clear delineation of "service providing" vis a vis governmental administrative responsibilities is evident in the developmental history of libraries, particularly as it relates to public libraries.

Library service grew immensely during the nineteenth century, but the growth was largely limited to urban areas. A vast number of people in rural areas had little or no library service at all. Recognizing this need, states began to encourage a new form of library development - the county library. The first county library was established in Ohio in 1898, and within the next twenty-five years county libraries developed in other states as well, principally in the Midwest and Far West. County libraries emerged and developed at a painfully slow pace. A major reason for this slow development was finance: rural areas tend to lag in governmental development because they operate on a relatively low tax base and resist expenditure of tax dollars for new services.

Establishment and Growth of Federal Interest and Involvement

Library development was progressing in several states, but foundering in most other states. There was no concerted movement nationwide. While the need for Federal

government intervention was recognized as early as 1944, it was not until 1956 that the national government stepped in with a bold new initiative. In that year, Congress passed the Library Services Act, the first major piece of Federal legislation for the support of public libraries. The Act required each state to prepare a plan, the approval of which was a prerequisite to the use of Federal funds. A primary goal of the Act was the extension of library service to the rural population. Aid was precluded from towns with a population of more than 10,000.

Amendments in 1964, under the title "The Library Services and Construction Act", broadened the scope to include grants for construction of library facilities. Equally important, the new act recognized the need to support libraries in urban as well as rural areas. Plan requirements placed on the states were revised accordingly. Federal funds were allocated according to a formula which recognized only two basic factors: population and income. Each state was entitled to a share of the total federal grant equal to the ratio of the state's population to the total population of the country. However, in order to receive its full share, each state had to provide matching state and local funds based on the ratio of the state's per capita income to the national average per capita income. Thus, wealthier states were required to provide more matching funds than poorer states.

A stipulation was added that in no case would federal funds for library service and construction exceed sixty-six percent, nor be less than thirty-three percent, of the total costs. Determination of the use of Federal funds was left in the hands of the state library agency. It should be noted that the revised act represents a kind of limited revenue sharing measure. Its objective clearly was a redistribution of tax revenues in support of library services. Except for the state plan requirement, none of the fiscal support provisions relates directly to library needs, or library services. Thus, the current level of library services, differential service needs, and requirements to provide specified library services are not included as a part of Federal subsidy machinery.

In 1966 LSCA was amended to identify three new areas for improvement in library service. With these amendments, LSCA provided Federal support in the following major categories:

(1) Library Services (Title I): support to be used for books and other library materials, salaries, equipment and other operating expenses.

(2) Library Construction (Title II): support to be used for necessary capital expenditures, such as a new building.

(3) Interlibrary Cooperation (Title III): support to be used for the establishment and maintenance of local; regional, state, or interstate cooperative networks of libraries, including public-nonpublic library networks. No matching of Federal funds required.

(4) Services to the Institutionalized (Title IV-A): assistance in the provision of library service to inmates of prisons, state schools and hospitals, orphanages and other institutionalized individuals.

(5) Services to the Physically Handicapped (Title IV-B): support to be used in the establishment or improvement of library service to the blind or visually handicapped individuals who are unable to use conventional printed materials.

The 1970 amendments to LSCA stipulated the strengthening of metropolitan public libraries as regional resource centers, and added, as a goal, the expanded use of Federal funds in areas with a large percentage of disadvantaged persons.

Federal legislation has had a lasting influence on the statewide development of public libraries. Although the amount of Federal aid has been small in relation to total library expenditures, the effect of federal aid has been much greater. Federal aid encouraged the states to accept increased responsibility for support of public

libraries. As the National Advisory Commission on Libraries noted, there is evidence that LSCA "has stimulated increases in state aid to local public libraries and that it has resulted in the establishment of state aid in nine states." However, even though the percentage increases in state aid may be substantial, "only a few states appropriate significant per capita amounts of state aid."[11]

Thus, Federal funds, accompanied by a matching requirement and plan preparation, stimulated the states' response to public library needs and strengthened the administrative and planning roles on the state library agency. Local libraries could look to the state as well as local government for relief of some of their pressing fiscal problems. The trend toward state-supported library services has been described as "one of the potentially most important developments during the past ten to fifteen years in public library systems."[12] It cannot be said, however, that these increases in state fiscal support have resulted in an excessive or monolithic pattern of state control over the development of public library systems.

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[11] Douglas M. Knight and E. Shepley Nourse, Libraries at Large, R. R. Bowker, New York, 1969, p. 405

[12] Ralph Blasingame and Ernest R. DeProspo, Jr., "Effectiveness in Cooperation and Consolidation in Public Libraries," in Melvin J. Voight, Advances in Librarianship, I, New York, Academic Press, 1970, p. 194.

If anything, one might characterize the lack of increased state administrative direction and planned development as a failure on the part of the states to fully recognize their basic responsibilities in this area.

In addition to LSCA there are, of course, other Federal support measures for libraries, but they are primarily adjuncts to programs and services directed toward other broader objectives. The LSCA is the main Federal support base for public libraries.

The Pattern and Levels of Intergovernmental Fiscal Support

Current data showing the amount and percentage of fiscal support for all public libraries are not readily available. The most recent national data on public library support showing the relative Federal, state and local fiscal support were collected for the year 1968. At that, the data are partial, showing only the relative amounts and percentages for public libraries serving jurisdictions of 25,000 or more population. In the 13 states which support libraries most generously, the amounts of state support ranged from $7 million in New York to little more than $300,000 in South Carolina. (See Table II) As a percentage of total expenditure for public libraries in these jurisdictions, the proportion of state support ranged from almost 19 percent in Pennsylvania to 4.4 percent in Michigan. (See Table I) (Hawaii is excluded

Table I
Percentage of Operating Funds by Source for Public Libraries Serving at Least 25,000 Inhabitants, 1968 - Selected States

State	% Operating Receipts From State Govt.	Local Govt.	Federal Govt.
Hawaii	89.0	0.0	11.0
Pennsylvania	18.7	62.8	4.4
Maryland	14.7	78.6	3.2
South Carolina	13.1	70.6	11.8
New Jersey	12.9	78.6	4.1
North Carolina	11.3	71.1	9.3
New York	10.9	67.3	1.6
Florida	7.3	73.1	3.1
Illinois	6.8	87.1	0.0
Rhode Island	4.9	61.2	0.0
Massachusetts	4.6	90.3	0.8
Montana	4.4	92.7	0.0
Michigan	4.4	82.5	1.3
Aggregate U.S.	5.9	83.1	2.6

Source: National Center for Educational Statistics, Statistics of Public Libraries Serving at Least 25,000 Inhabitants - 1968, U.S. Government Printing Office, Washington, D.C., 1970.

Table II
Receipts into Operating Funds by Source for Public Libraries Serving at Least 25,000 Inhabitants, 1968 - Selected States

State	Operating Fund Receipts From State Govt.	Local Govt.	Federal Govt.
New York	$7,072,531	43,767,783	1,061,798
Pennsylvania	3,956,308	13,756,816	958,146
Hawaii	2,506,560	-0-	308,497
New Jersey	2,373,396	14,498,085	765,685
Maryland	2,211,623	11,854,951	403,776
Illinois	1,264,691	16,183,102	-0-
Michigan	862,327	16,055,415	257,285
Massachusetts	824,833	16,018,573	138,060
Florida	657,166	6,537,134	274,461
North Carolina	644,382	4,041,129	527,019
California	439,808	63,465,522	754,509
Missouri	431,071	10,631,860	456,785
South Carolina	316,565	1,707,569	286,220
Aggregate U.S.	25,493,389	359,067,898	11,234,374

Source: See Table I.

because it provides service on a state basis.) On a per capita basis, the amounts ranged from 54¢ in New York to 14¢ in South Carolina. (See Table III.) These data show on a national basis that Federal support is miniscule (3 percent), state support is most modest (6 percent), and that local support is major (83 percent). Also, the remaining support (endowments, gifts, fines, fees, etc.), represented only about 8 percent.

It was reported in the 1972 PAS study that 35 states currently authorize some form of fiscal support for local libraries, but that not all of these states appropriate funds for such programs. The report listed 23 states which had made appropriations in 1970-71 totalling $52.5 million and ranging from $15.5 million in New York to $100,000 in Idaho. The type of grant program for these 23 states is also described. (See Table IV.)

This brief analysis of public financing patterns yields a number of conclusions:

(1) The great bulk of the fiscal support for public libraries rests with local government.

(2) The level of state support is significant in a few states but is nominal in most states. This indicates that, however well states have responded to the LSCA stimulus, they have not yet taken seriously the charge of insuring the development of an adequate pattern of public library services in all jurisdictions.

Table III
Per Capita State Aid and Total Operating Receipts
Per Capita to Public Libraries Serving at Least
25,000 Inhabitants, 1968 - Selected States

State	State Aid Per Capita	Total Operating Receipts Per Capita
New York	$0.54	$4.98
Pennsylvania	0.43	2.34
Hawaii	3.96	4.45
New Jersey	0.55	4.26
Maryland	0.74	5.03
Illinois	0.23	3.36
Michigan	0.15	3.43
Massachusetts	0.25	5.32
Florida	0.19	1.14
North Carolina	0.16	1.42
California	0.03	4.60
Missouri	0.14	4.00
South Carolina	0.14	1.07

Source: See Table I.

Table IV

APPROPRIATIONS FOR PUBLIC LIBRARIES BY STATE*

State	*Type of Program*	*1970–1971 Appropriation*
Alabama	Matching grants; extension of service grants	$ 325,400
Arkansas	Establishment grants; continuing support and maintenance grants	427,000
California	Per capita formula; system establishment grants; development and extension grants	1,000,000
Colorado	Continuing support and maintenance grants to individual and area libraries; development of statewide reference programs; grants for developing systems	600,000
Connecticut	Matching grants on a per capita basis	666,000
Florida	Operating, equalization, and establishment grants	500,000
Georgia	Basic operating expenses for state-supported local libraries	2,921,088
Hawaii	All library service is state funded	
Idaho	Per capita and construction grants; establishment grants; grants to develop new and cooperative services	100,000
Illinois	Equalization; grants to establish reference centers; grants for the establishment of cooperative library systems	6,897,093
Kentucky	General grants to county libraries meeting requirements	217,580
Maryland	Per capita grants for operating expenses (requiring 70 percent local support); construction grants of 50 cents per capita	3,529,563
Massachusetts	Direct subsidy grants; systems development funding	4,202,000
Minnesota	Establishment and library materials grants; special development funds; per capita support	517,500
Missouri	Per capita grants; equalization; establishment funding; continuing support (at least one mill local support required)	403,894
New Jersey	Regional service development grants	6,013,105
New York	Formation, development, and support of library systems	15,500,000
North Carolina	Operating cost grants	2,000,000
Ohio	Area service library systems support grants	366,009
Pennsylvania	Operating grants to regional centers, district centers, and local libraries	4,029,634
Rhode Island	Per capita grants to cities and towns; building and construction grants; regional center development grants	536,173
South Carolina	Supplement support for regional and county libraries	478,519
Tennessee	Operating cost grants; support for regional library centers	641,700
Virginia	Support of regional, county, and municipal libraries	600,000

*Patterns Among the States for Supporting Public Library Services, Public Administration Service, Chicago, 1972, p. 16.

(3). The nature and objective of operative state support programs vary widely, ranging from straight per capita grants to formula based equalization grants for general operating purposes.

The Changing Scene: A Review of Current Problems

Much of the literature of the public library field is peculiarly defensive and introspective. There seems to be a discernible orientation toward discussion of survival issues ranging from philosophic questions centered on a validation of the role of libraries in today's world, to pragmatic issues of funding, with heavier emphasis on the former.

There is, of course, a logical explanation for this defensive posture. From the point of view of the traditional functions performed by the public library, it is indeed a rapidly changing world. Declining readership, especially in the cities; wide-spread development and utilization of new media forms; changed, sometimes polarized, cultural and educational interests; the metropolitan birthplace of the library, a racial, economic and political battleground -- all of these changing forces and influences challenge the role, sometimes the existence, of the public library.

Nonetheless, this explanation does not seem fully adequate. Other governmental institutions are similarly threatened and faced with the need to change. Public education, for example, is today a virtual battleground. And while we face in this field financial crises, teacher strikes, racial

upheavals, and basic questions posed by the studies of Coleman, Jencks, and Jensen about effectiveness and worth, no one talks seriously about complete elimination of the public education system.

Perhaps a more valid explanation is that there exists a lack of full recognition and acceptance of public libraries as a viable function in the mainstream of government. A host of reasons and contributing factors can be advanced in support of this view. This explanation is perhaps less germane in the major cities where technical, functional, and fiscal operating problems prevail. But even in the big cities public libraries have a relatively low political and governmental visibility. It is doubtful that the director of libraries of any major city sits regularly as a member of the Mayor's Cabinet, or as ex-officio member of the local school board. The same circumstances exist at the state level where boards and commissions serve to insulate the public library function from direct accountability to the chief elected official or head of the department to which public library administration is assigned. Such politically insulated structure is never an unmixed blessing because lack of full accountability upwards means usually a lack of felt responsibility downward. Also, there is something less than a full, formal bureaucracy to sustain and support the public library mission, and survival is the unstated, but, nevertheless, top priority mission of any bureaucracy.

While these general observations may serve to explain the current scene, they are not intended to deny the existence, nor understate the importance of current public library problems. A summary of important current and continuing problems of the field follows.

1. Lack of performance standards

The American Library Association (ALA) has responded to the challenges of change by promulgating standards of service for many different classes of libraries. These standards are partly descriptive of present practice, and partly prescriptive in establishing goals regarding the level and type of services to be made available. Some standards are quantitative goals for "minimum" levels of inputs. For example, public library systems satisfy the standard if they have "at least one currently published periodical title ... for each 250 people in the service area."

Unfortunately, library standards as presently formulated are not really designed to guide and make possible the measurement of performance. The standards have been established with no apparent empirical foundations, nor are there criteria indicating priorities. If some standards are exceeded while others are not met, can any statements be made concerning the overall performance of the library? Probably not.

Furthermore, standards refer basically to levels of inputs instead of levels of output, the latter being the real concern of library administrators. Merely meeting the standards implies, perhaps falsely, that the library is doing an adequate job. Some observers have the view that standards are used too frequently to justify and support increases in a library's budget. That is an important use, but they should also guide and stimulate improved performance.

The development of public library performance measures is viewed as one of the most critical problems facing the library profession today. Such measures are especially difficult to construct due to the inability of the library profession to define objectives precisely and the inability to define or measure the output of library service. As one expert observer notes: "Assuming that libraries do get promptly about the business of clearly defining functions, collectively and individually, it will still be obviously out of the question for the individual library to develop standard measurements of library use which, with the exception of circulation counts, simply do not now exist."[13]

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[13]S. Gilbert Prentiss, "The State Overview: The State as a Collector of Library Statistics," in David C. Palmer, ed., A National Plan for Library Statistics: Guidelines for Implementation, Chicago, Statistics Coordinating Committee of the ALA, 1970, p. 31.

2. The public library's role in question

The question of purpose or function is fundamental for current and future planning for public libraries. At the present time there is a great deal of discussion centering on what the public library's future role should be. Should it continue in the traditional manner of trying to serve the diverse educational, cultural, and recreational needs of a wide variety of possible patrons, or should it attempt to define these needs more narrowly, providing better service for a smaller class of clientele? And what types of services can libraries provide which might not be available elsewhere at similar or less costs? Public libraries must answer these questions because across the nation, especially in cities, attendance and use of public libraries appears to be declining. The reasons for this decline may be difficult to determine, but part of the decline is probably due to competition for the public's attention from alternative sources, such as paperback books, magazines and newspapers, television, and school libraries. Spiraling costs and a proliferation of printed material have created a situation in which public libraries must carefully choose which document and program resources to develop and how they should allocate their scarce funds. The conclusion of at

least one researcher is that the public library should stop trying to satisfy everybody for everything.[14]

One alternative is to provide a narrower range of services not easily obtained elsewhere. Some public libraries have experimented with new forms of service, acting in certain instances like a Sears catalog-type distribution center. Other services may be limited to information on daily living, provision of work space and materials for students, presentation of new media items, and exploration of issues currently important to the community. The logical target population primarily would be the poor.

3. The problem of meeting different needs

The role of public libraries or, more precisely, the need for such services, particularly in metropolitan areas and urban centers, is apparently changing and becoming quite differentiated. As one governmental issue paper puts it:

> Transactions of both print and non-print media showed a 12 percent decline nationwide, decreasing from 634,624,000 transactions in 1965 to 560,214,022 in 1968. The only increase in number of patron transactions occurred in the smaller cities (25,000-34,999) which showed a 6 percent increase. The decline was greatest (16 percent) in the largest communities, those having a population of 100,000 and over; in communities with a population of 50,000 to 99,000, the decline

[14] Thomas Childers, "Community and Library: Some Possible Futures," Library Journal, Vol. 96, No. 16, pp. 2727-2730 (Sept., 15, 1971).

was 8 percent; and in communities of 35,000 to 49,000, the decline was a mere 1 percent."[15]

The change in this measure of demand would appear to be quite significant -- not only is the utilization of library services decreasing nationally, the decrease is disproportionate in the larger cities where public libraries originated and have their longest tradition of service. Other findings presented in the paper demonstrate in the case of Baltimore and several other larger cities that while book circulation and number of borrowers have decreased over the past three years in the central city libraries, there were substantial increases in these activity figures in the adjacent and nearby suburban communities. Demographic and migration data are offered to explain these changes in part, but the implications for library support fiscal policy are clear. If these changes reflect a need for different kinds of library services as between core cities and suburban and rural areas, if this pattern is generic to most or all metropolitan areas, and if the different services required vary markedly in nature and cost factors, then clearly library fiscal policies and mechanisms might require major

[15]Kathleen Molz, The Federal Role in Support of Public Libraries, Issue Paper; USOE draft 2/18/72, pp. 9-10 (unpublished).

adjustments and revisions to insure that differential needs are supported and met equitably in all jurisdictions.

The problem of marked differences in core city and suburban public library utilization is compounded by the fact that expenditures for the diminishing services of core city libraries are, nonetheless, increasing significantly. The Issue Paper, previously mentioned, points out that per capita expenditures of library systems serving populations over 100,000 doubled from 1960 to 1968. These increased costs may reflect expanded efforts of urban libraries as they seek to meet new challenges and new service needs. They also may reflect the more or less fixed expenditure patterns of library bureaucracies whose traditional services are increasing in cost, but not in relevance for meeting the needs of core city residents. In either event, hard-pressed city budget administrators and executives are likely to require more justification for their support of these services, or to reduce budgets accordingly. The role of state and Federal fiscal policies and mechanisms in this kind of situation seems clear. They should provide leadership and guidelines for local government officials to follow in the support of public libraries, and, to the maximum extent possible, provide a flow of funds which can best assist and match local fiscal effort.

4. The problem of differing ability to support services

The question of who should pay for library service is also critical in today's scene. The need for library service and the ability to pay for such services are not distributed uniformly across the nation or even across an individual state. A relatively poor jurisdiction has greater difficulty raising sufficient tax revenue to support adequate library service. Such a district is poor, among other reasons, because of its restricted tax base and, frequently, because of higher overall municipal service costs. The issue of municipal overburden is rarely resolved by current library subsidy mechanisms and fiscal inequities in providing basic services, including libraries, continue to exist.

Equalization of resources has been recognized as a challenge which faces most aid and subsidy systems. In the 1969 Report of the Office of Education's Library Planning Group, one of the four goals for library development was "to provide greater equalization of State and local resources for Library programs and services." At the State level, the ALA established the standard that "State financial aid for libraries should equalize resources and services across the state by providing extra help for those least able to finance sound services and facilities."[16]

[16] American Library Association, Standards for Library Functions at the State Level (Revision of the 1963 edition), Chicago, 1970.

5. Constitutional issues and fiscal support.

Local governments, particularly urban jurisdictions, are facing financial crises of major proportions as they seek to provide funds for essential services. As previously indicated, experienced observers are already citing the limitations of general and special revenue sharing to relieve the increasing financial strain at the local level. Further, the Rodriguez v. Texas case, based on the Serrano-Priest issue, recently decided by the U.S. Supreme Court, and the many similar cases in the various States have raised basic constitutional questions related to the use of local taxable wealth as a determinant in the fiscal support of public education. The Supreme Court in the Rodriguez case decided that the issue should be resolved by state legislatures rather than by the judicial agency, on constitutional grounds. The Court, however, gave added legitimacy to the issue. This fact, plus a strong dissenting decision of four of the Justices, suggests strongly that the issue will have to be resolved at either the legislative or judicial levels. Resolution of this issue is likely to have a spill-over effect on State-local fiscal relations in the support of other essential services for which the State bears primary legislative responsibility, such as public libraries. The National Commission on Libraries and

Information Science in recognizing this critical problem argues that if the current method of funding public schools is changed, library funding must change too. Their reasoning is that it would be "unfair" to have schools operating on a broad-based tax structure and libraries controlled by a more restrictive tax base.

6. What is an adequate basis, level and distribution scheme for fiscal support?

It is true that public libraries receive a low level of fiscal support compared to other governmental services provided by State and local governments. Public library expenditures in FY 70 amounted to only .5 percent of all state and local governmental expenditures. This fact, however, provides little by way of demonstrable evidence to determine whether the percentage is low, high or about right. Moreover, cursory examination of data indicates that over a ten-year period 1957-1967, the increase in expenditures for local public libraries has kept pace fairly consistently with increases in other local government expenditures. Analysis of data for later years confirms this judgment, but does not provide any additional justification as to what the rate should be.

Perhaps a better indication that public library expenditures are low, and are inefficiently distributed

is provided by a quite recent study of state library policy. The researchers correlated state appropriations per capita for direct library programs with a whole series of variables including percent change in urban population, personal income, state and local revenues from property taxes, state general revenue totals, and other political, economic and demographic factors. The correlation coefficients were quite low for the series - the highest for any of the specific variables identified above was an "r" of -.354, a value which accounted for only 12 percent of the total variance. The authors conclude: "These low correlations suggest that State spending for library programs is largely unrestrained by the economic, social, or political circumstances existing in the State. So far as these measures are concerned, any of the fifty states is in just as good a position as any of the other states to receive either the highest or lowest appropriations."[17] While the authors did not attempt to reach causative conclusions, it is possible at least that library expenditures are at such low level as to be unaffected by "economic, social or political circumstances" which, normally, would be expected to exhibit a higher

[17] State Library Policy: Its Legislative and Environmental Contexts. St. Angelo, Hartsfield, Goldstein, American Library Assoc., Chicago, 1971, p. 30.

statistical relationship to these data. Moreover, if variations in these expenditures among the states are a product of chance, or the operation of unknown, unrelated factors, the further judgment is suggested that there is a lack of consistent fiscal policy and policy mechanisms among the States in support of public libraries. This kind of judgment, if valid, should, of course, be a matter of serious concern to the Congress, Federal, state and local officials and administrators whose responsibilities include the continuous development of adequate public library services in all parts of the nation.

Further indication of both inconsistency and inefficiency in state fiscal policies and, equally important, the lack of meaningful relationships between Federal and state fiscal policies in support of public libraries is suggested by another finding of the study. Efforts to correlate per capita Federal grant obligations in FY 1967 with variables representing state resource characteristics and library program standards also produce quite low coefficients of correlation. The researchers concluded: "Neither State resources nor library programs have meaningful impact upon the distribution of Federal aid to the states."[18]

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[18]Ibid., pp. 32-33.

Intergovernmental fiscal policies in any functional area should exhibit some degree of meshing and inter-responsiveness if they seek to achieve common goals. The fact that these analyses demonstrated only moderate or low correlation may be significant evidence that Federal and state fiscal policies and mechanisms have little co-responsiveness in providing support for public library services. The fact that Federal and state funds provide only a small percentage of local public library expenditures further highlights the need for greater consistency in Federal and state fiscal policies. Under such conditions it is essential that Federal and state funds, together, be utilized stragetically to fill service gaps and provide incentives designed to optimize the expenditure of local funds.

7. Balance among the sources of funding

The question of a fair-share formula specifying an "equitable" divi ion of financial support among the local, state and Federal levels has been debated for at least twenty years. In their report prepared for the National Advisory Commission on Libraries, the Nelson Associates urged that fair-share formulas be developed and argued systematically. They report:

"The development and general acceptance of a 'fair-share' formula is one of the important items of business on the library agenda."[19] Opinions on this subject have varied a great deal. In 1948, Amy Winslow and Carleton Joeckel proposed a formula for public library support of 60% local, 25% state and 15% Federal. As part of an Allerton Park Institute in 1961, Hannis Smith proposed the formula: 40% local, 40% state, and 20% Federal support. In 1964 Lowell Martin considered that a reasonable formula would be 50% local, 30% state, and 20% Federal support. These proposals and opinions are in sharp contrast to the present support pattern reported for FY 1970, which is approximately 88 percent local, 7 percent state, and 5 percent Federal. Clearly, there is no consensus concerning an appropriate distribution of public library cost among levels of government. Decisions relating to this distribution continue to be made on a highly decentralized and independent basis by the different levels of government. The amount of support each provides is the result of political, economic, and social factors in the absence of guidelines reflecting total library service needs and providing adequate bases for cost distribution.

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[19] Nelson Associates, Inc., Public Libraries in the United States: Trends, Problems, and Recommendations, report prepared for the National Advisory Commission on Libraries, 1967, p. 24.

Public libraries today are thus confronted with many challenges. Financially strapped, struggling to compete with more glamorous forms of information sources, sometimes attacked as "irrelevant" by their own users, libraries must face these challenges squarely if the institution is to respond adequately. The problems are many, the solutions difficult, but the ability to respond to change and improve service has been a tradition in the history of public libraries.

The Future Scene

In an ending section of a recent appraisal of state library policy, the authors state:

> The overall conclusions on the materials presented in this chapter are both surprising and delightful. Much of the previous work on general state policy has suggested a social or economic determinism. For example, some research has stressed that extensive state education programs require favorable social and economic environments. The analysis of this chapter clearly implies that good state library programs are an act of free will. A state does not have to have a highly favorable economic or social environment before it can develop a leading library program. Moreover, there are no particular political configurations which favor library programs. Strong library programs can exist in any of our state political environments. In a reaffirmation in the faith of the ability of man, these data say that good library programs are the result of leadership.[20] (Emphasis added)

The ebullient optimism reflected in this conclusion should be viewed with great caution. A less sanguine

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[20] St. Angelo, Hartsfield and Goldstein, op.cit., p. 42.

reading of the statement, and the data on which it is based, is that top political leaders and forces in this country do not care all that much about public libraries and public library development. No one's ox is being gored; let the institution continue to dangle on the periphery of the social and governmental scene; libraries were once supported by private largesse, let them continue to survive on the bits and pieces of government fiscal surplus. Probably it is true that neither view is an accurate and complete portrayal of future options. The authors, after all, were mainly commenting on the need for leadership and the apparent latitude within which leadership can operate.

But, what of the future? What evidence is now available to depict the environment in which public libraries will operate? Will they continue to have a role as a societal civilizing force? Definitive answers to those questions are not within the constraints of this paper, but a basic affirmative or negative answer with respect to future roles is fundamental to governmental financing. A listing of relevant, current and projected data include the following items:[21]

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[21] Data developed from a review of various sources including three primary references: Population and the American Future, Report of the Commission on Population Growth and the American Future, U.S. Government Printing Office, 1972; Conrad Tauber, "Population: Trends and Characteristics" in Indicators of Social Change, Russell Sage Foundation, New York, 1968, and Pocket Data Book, USA, U.S. Bureau of the Census, 1971.

1. Population

- A population leveling-off at almost 205 million in 1970, with birth rate declining from 27/1000 in the 1950's to 18/1000 today, and death rate declining even more markedly.

- Life expectancy at 70 years, 23 years longer than 1900.

- A current annual growth rate of 1.1 percent, adding 2.25 million to our society each year.

- Females outnumbering males by 5.5 million in 1970.

- Twenty-six million (12.5 percent) members of minority races in 1970, up 5 million from 1960.

- One-half the population under 28 years and one-sixth over 65.

- An expected 33 percent increase in annual household formation, in smaller family units.

2. Urbanization

- Seventy percent of the 1970 population in Standard Metropolitan Statistical Areas.

- Increasing metropolitan growth from 1960 to 1970, at double the U.S. rate of growth.

- Nearly all metropolitan growth taking place in the suburbs.

- Twelve areas with populations of over 2 million, and 132 cities of over 100,000.

- The metropolitan population concentrated on less than 1 percent of the nation's land area.

- Seventy-eight percent of all Blacks living in central cities.

3. Education

- A decline in the number of illiterates.

- Thirty-three percent of persons over 25 years with 12 or more years of school completed in 1970, more than double the 1940 proportion.

- Median year of school completed 12.1 years in 1969, up from 9.3 years in 1950.

- Dramatic increases in school enrollment of 18-24 year olds, 78 percent in 1970.

- Four times the number of Bachelor Degrees in 1969, compared to 1940; more than seven times the number of Master's Degrees, and eight times the number of Doctorates.

4. Labor Force and Occupations

- Ninety million in the labor force, 74 million in non-agricultural jobs.

- Increases in the percentage of professional and technical workers, managers, clerks, service oriented jobs and government workers.

- Decline in unskilled manual workers.

- Forty-two percent of female population in the labor force and increasing.

- 4.5 million out of work and seeking jobs.

5. The Economy

- A GNP of $724 billion in 1970, up almost 50 percent over 1960 (1958 dollars).

- Personal income up about 8.5 percent, 1972 over 1971.

- Median family income of almost $9,600 in 1970 compared to $5,700 in 1960.

- A decrease of 15 million in the total number of people below the poverty level, 1959 to 1969, and an even greater percentage decrease in this number for Blacks.

- A greater incidence of poverty in non-metropolitan areas.

- A 12 percent increase in spending on durable goods, and an 8 percent increase for non-durable goods and services in 1972.

6. Leisure Time

- During 1960-1970, workers gained 50 hours per year in free time, added 15 hours of vacation time, 4 hours to holidays and reduced by 31 hours the time spent working.

- A 1960-1970 increase of 100 percent in money spent on all forms of recreation.

- A prediction that by the year 2000, retirement at age 38 will be commonplace.

One could extend this brief list of facts, factors and projections of the future. But the list seems to provide more than enough evidence to indicate a future society featuring more of everything -- including problems. The data project a society in which the pace of knowledge, skill, economic activity and human relationships is on the ascendancy. The ways in which we are able to guide, control and direct these dynamic forces will determine whether wisdom and the sustaining qualities of the good-life, are also on the ascendancy. But most certainly, it is a future world requiring high responsibility and commitment to sustaining and expanding the basic sources of information

and knowledge which are the ingredients of the social wisdom required. As David Bell points out, the distinguishing features of our time which sets it off from the past are the acceleration of the rate of information, the "idea of exponential growth curves," the change of scale in our daily lives, and the number of persons each one of us knows which has altered the way in which we experience the world. These changes naturally cause "structural differentiation", consequences which include:

1. The creation of a service economy;

2. The pre-eminence of the professional and technical class;

3. The centrality of theoretical knowledge as the source of innovation and policy formulation in the society;

4. The possibility of self-sustaining technological growth; and

5. The creation of a new "intellectual technology".[22]

Whether the reality of the future will reflect accurately Bell's predictions cannot be known with surety. What can be known with surety, is the present need to sustain and enhance

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[22] Bell, David, "The Measurement of Knowledge and Technology," in Indicators of Social Change, Russell Sage Foundation, New York, 1968, p. 41.

public libraries as an accessible storehouse of public knowledge vital to achieving desirable future goals for the whole of society.

III. A SUMMARY OF BASIC ISSUES

Our federal system is usually described as a partnership of the Federal, state and local levels of government. The powers and duties of the Federal government are expressly stated in the Constitutuion. All powers not delegated to the Federal level, except those specifically denied by the Constitution, are left to the states for performance and implementation. Local governments, of whatever form, are creatures of the state and are charged with performance of responsibilities and functions expressly delegated to them by statute or, under a broader, more generalized grant of power, by state authorized home rule charter provisions.

Strict constructionists of the Constitution and other observers argue, with respect to public library services and development that no Federal role exists. The facts are, however, that the Federal government has been instrumental in launching and sustaining hundreds of domestic programs and fiscal support measures in a wide variety of functional areas and likely will continue to do so. A much higher degree of consensus exists in support of the principle that prime responsibility for public library services belongs at the state level. Clearly, the state is the most theoretically and strategically appropriate level of government to

insure the provision of adequate public library services for all citizens. It follows, then, that the state has the latitude for utilizing local government in whatever ways it may deem appropriate in developing public library services.

This nice, pat description of the division of responsibilities and duties with respect to public libraries is by no means an accurate portrayal of how the system works. John Bebout characterizes governmental operations as a whole web of intergovernmental relations focused on key principles essential to make the partnership viable including the goal of equality of opportunity in all jurisdictions, the irrelevance of jurisdictional boundaries in many instances, the existence of governments with widely varying fiscal capacities, recognition of the special problems of metropolitan areas, and the need for new regional organizational arrangements. As he stated:

> If these principles are not fully realized in practice, they at least characterize a concept of American federalism that seems to be emerging. I have been calling it "partnership" federalism. Others have called it "cooperative," "creative," or "new" federalism. President Lyndon B. Johnson's expression "creative federalism" suggests the dynamic qualities inherent in its pluralism and the capacity, it is hoped, to fuse a multiplicity of local initiatives and energies in building the national purpose and strength needed for survival in an age of unprecedented complexity and fluidity.
>
> Librarians and their cohorts need to understand these concepts if they are to play a significant role in this venture. The federal partnership is not a company of saints vying with one another

> to make sacrifice for the common good. The playing field is rough. The rules are complicated, changeable, and sometimes contradictory. The goals are often obscure, the goalkeepers frequently anonymous, and the rewards uncertain. It is no game for the weak, the timorous, or the uninformed. It is being played for the common good, however variously that common good may be understood by the players. Libraries should have much to contribute to the clarification of goals and the knowledge of the rules by which a civilized society must live and evolve. [23]

In this context, issues relevant to the governmental financing of public library services must be viewed in a broad perspective, inclusive of, but also beyond, the analysis of the various formulae and methods now used to provide governmental fiscal support. Accordingly, this definition and explication of issues confronting the governmental financing of public library services includes questions about role, function, and structure of public library services, as well as basic issues concerning the source, level and method of governmental financing.

1. <u>There is need to sharpen the definition of, and to achieve broader consensus on, the role and function of the public library</u>.

So much appears in the literature in lengthy discussions of the public library's role that one hesitates to identify the role question as a basic issue in the governmental

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[23] John E. Bebout, "Partnership Federalism" in <u>The Metropolitan Library</u>, edited by Ralph W. Conant and Kathleen Molz, The MIT Press, Cambridge, Massachusetts, 1972, p. 79.

financing of such services. Nonetheless, it seems clear that adequate, sustaining public financing systems for these services are not likely to emerge without better definitions, supported by a broader consensus, of the scope, purposes and functions, in priority array, of public library services. A recent research effort catalogued some 30 somewhat overlapping but different statements describing public library objectives. An excellent general definition is the one provided by Shera:

> What then, one may properly ask, is the purpose of the public library? To answer such a question it is necessary to look first at the generic role of the library, what the library can and should do and what no other agency in society does, or at least can do as well. The function of the library, regardless of its nature or clientele, should be to maximize the social utility of graphic records for the benefit of the individual and, through the individual, of society. The library, as a social invention, was brought into being because graphic records are essential to the development and progress of culture; hence, it is important that the citizen have access to those resources that will best enable him to operate effectively in his several roles as a member of society. The public library, as its name implies, has been predicated on the assumption that it could meet this objective for all strata of the population. [24]

There are a number of pre-conditions and parameters which should be considered in examining the role issue.

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[24] Jesse H. Shera, "The Public Library in Perspective" in The Metropolitan Library, edited by Ralph W. Conant and Kathleen Molz, The MIT Press, Cambridge, Massachusetts, 1972, p. 106.

a. Political acceptability and accountability. The fundamental purpose of role and function definition is to win, both within and outside the professional library field, political and fiscal support for the program. Increasingly, in the highly competitive fields of public and voluntary finance, needed support can no longer be achieved on the basis of highly generalized goal statements, however noble. Budget and fiscal decision makers want to know specifically what the fund-seeking agency is going to do; how are they going to do it; and above all, how they will measure and evaluate the costs and benefits of the proposed activities. Thus, the task of role and function definition should stimulate and guide the determination of measurable objectives and performance standards based on output measures. This should permit continuing evaluation to demonstrate program impact and the achievement of purpose. Planning-programming-budgeting systems in all areas of government are still evolving; libraries and library systems cannot be expected to go beyond the current state-of-the-art in this area. Nonetheless, the basic concept of accountability and measurement of performance against quantifiable objectives is not

likely to go away. Public libraries must come to terms with this requirement of modern public financing systems.

b. Public libraries as a single and separate entity. As previously discussed, the public library is a unique social institution. The literature of the field provides evidence that the institution to some extent thinks of itself as separate and apart from all other community, social, cultural and educational agencies. To the extent that this feeling exists, it should be examined critically. Society has a history of responding with only an elusive and partial commitment to those social institutions which aspire to transcendent qualities. Bebout puts it well:

> Public libraries that are worth their salt are no longer the somewhat cloistered institutions of local cultural benevolence that many of them once were...As institutions, however, they are caught in a vast web of governmental organizations and practices - national, state, local - that has come to be called partnership federalism. The nation is just beginning to become aware of the complex system of intergovernmental relationships that has evolved out of the relatively simple concept of federalism embodied in the Constitution of 1787. Libraries, quantitatively miniscule elements in the system, have hardly sensed the implication of this evolution for either their institutional integrity or their function in society. [25]

[25] Ibid, p. 79.

In defining their role and function then, libraries face the need to see themselves as an integral part of a fabric of institutions serving the same or closely related goals. They should consider providing and seeking active support of such agencies. Finally, they should be willing to negotiate with other social and educational agencies in determining their role and function as it relates to a total pattern of community, social, cultural and educational services.

c. Relationship to government. In working at the task of defining role and function, library professionals have the option of pressing for the inclusion of public library services as viable programs in the mainstream of governmental operations at whatever level. Perhaps because of their private philanthropic origins and their functional nature, there is some evidence that public libraries are considered almost quasi-governmental in nature. The implications of this observation, to the extent it is valid, on structure and finance will be discussed later. From an overall fiscal support point of view, there may be some advantages to a peripheral position in the developmental stages of a new institution requiring funding. However, these advantages are likely to diminish, or even become liabilities, as the institution

becomes of age and requires full, consistent funding at adequate levels of support. In any event, this paper accepts and supports the premise that there exists a profound and increasing need for the services and programs which public libraries can provide. There seems to be little doubt or disagreement that the administration and fiscal support of such activities should flow from government. The goal in seeking "mainstream" status simply accents the need for full responsibility, commitment and funding on the part of the appropriate governmental level, or levels.

d. Relationship to public education. As Kathleen Molz has put it in an historical context:

> The public library, then, was viewed as the last and most independent stage in a hierarchical system of public education that began with the enrollment of the nation's children in the public schools. [26]

Review of the literature suggests that the relationship of public libraries to public education is still under discussion and debate and that, to a large extent, the phrase "most independent stage" is an apt characterization of the relationship which now exists.

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[26] Ibid, p. 3.

It seems clear that in defining and sharpening the conception of role, function and mission, public library professionals must come to more specific terms with questions of organizational, functional and fiscal relationships with public educational systems at all levels of government. This would be no easy marriage to broker under the best conditions, and today's scene in both functional areas is turbulent. Public education has been earlier described as a battleground, and so it is: but it is a battleground in which all the important governmental and political forces are deeply involved and committed to resolution. A substantial part of the struggle in public education, perhaps not as visible as the fiscal, reflects the dynamic forces of basic change which are beginning to become operative. Public education is a highly compartmentalized, bureaucratized governmental institution which is now receiving severe criticism for performance failure and its lack of full relevance to basic societal needs. There is evidence, however, that public education is breaking out of its restraining concepts and rigid forms. The goals of public education are under scrutiny. Hopefully, they will be broadened to reflect a concern for the quality of life, a concern that emphasizes the "sensibility" about which Molz has spoken in The Metropolitan Library. To the extent that these changes emerge there would seem to be an even greater need for strong, functional linkages between the public education and public library systems.

2. The structure through which public library services are developed and administered at the local and state governmental levels needs to be reexamined and strengthened.

Within certain limits, the structure through which governmental programs are supported and implemented can be considered a variable. There are few hard and fast rules in public administration and organizational theory to define in precise terms which structural form should be used to insure programmatic success. Chances are that if public libraries were receiving adequate fiscal support and were not an endangered species, this paper, if it were written at all, would not deal with the question of structure. Such is not the case. Moreover, there is some relationship between how well an institution is fiscally supported and its structural form; and there are some fundamental, empirically based rules against which structural form should be examined and evaluated.

a. Service-providing vs. administrative agencies. An earlier discussion in this paper commented on the fundamental differences in orientation, mission, personnel and operational mode between a service-providing agency and one charged with administrative direction and development of a governmental program. Yet, the observable pattern in the development

of public library programs and services seems to feature placement of responsibility in the state library. The literature of the field tends to blur the distinction being made here. For example, the discussion in Libraries at Large on American State Libraries and State Library Agencies under the caption "Role of the State Library" is as follows:

> The role of the state in library functions has been defined as follows: States provide library services directly, promote services through other agencies, coordinate the various library measures, aid libraries financially and require service through Standards and Regulations.[27]

The point to be made is that the "role of the state" and the "role of the state library" with respect to library services development should not be considered synonymous. For reasons already cited, the establishment of a state library and the development of public library services throughout the state are historically and organizationally related. In many states, the state library remains as the agency principally responsible for all of the functions in the definition cited above. ALA's Standards for Library Functions at the State Level fails to honor or otherwise comment on the distinction being made here when it states:

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[27] Libraries at Large, edited by Douglas M. Knight and Shepley Nourse, RR Bowker Company, New York, 1969, p. 400.

> Various types of libraries and agencies have been established by the states to carry out library functions. In this document, the term state library agency refers to the appropriate unit of government responsible for the function specified in each standard.[28]

It is suggested that this question needs to be dealt with directly in postulating the future development of public library services at the level and to the extent desired. Aggressive administrative direction and development of public library services in all jurisdictions of a state are not likely to emerge from the agency responsible for providing services to a state capitol clientele. The orientations are too different. Titles are, in some sense, only as important as the incumbents make them, but the distinction between the titles "State Librarian" and "State Director of Public Library Services" connotes vast differences. One wonders about the difference in growth and developmental patterns that might have ensued if the LSCA had included, as a prerequisite to receiving federal funds, the appointment of a director of public library services in each state and outlined his duties in broad terms.

b. The use of administrative boards and commissions. The use of a plural executive, in the form of a board or commission vested with administrative responsibilities,

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[28] American Library Association, Standards for Library Functions at the State Level, (Revision of the 1963 edition), Chicago, 1970, p. 1.

is commonly viewed as a weak and inefficient organizational form. This observation has recognized validity even in school district organizations, regardless of whether board members are appointed or elected, or whether they have direct taxing power. In cities particularly, the board-dominated organizational structure is increasingly called into question. In Philadelphia, for example, current efforts to revise the home rule charter include discussion of the alternative of assigning responsibility for school operation to the Mayor as one of the departments of the City government. It is widely recognized that the recent extended teachers strike could not have been settle without the direct, sustained involvement of the Mayor of Philadelphia.

The PAS study points out that in 25 states responsibility for organizing and administering public library services is vested in an independent committee, commission, or board. In reference to the point made in a., above, the report further states that:

> A state librarian, or official with a similar title, who may or may not be a voting member of the governing body, is usually responsible for the day-to-day administration of the agency.[29]

[29] Patterns Among the State for Supporting Public Library Services, Public Administration Service , Chicago, 1972, p. 18. The numbers of states in each class are taken from a later, updated PAS report: An Inquiry Into The Patterns Among States for Funding Public Library Service , pp. 28-29.

In 14 states, responsibility for coordinating public library services is assigned to the agency which administers public education. In the remaining 11 states, the assignment of responsibility for public libraries varies; in six states, the responsibility is assigned to another department or agency of state government; in three, it is placed in the governor's office; and in two, Indiana and Vermont, it is assigned to a department of libraries.

Clearly, the predominant organizational pattern at the state level features the use of administrative boards and commissions. There are many reasons advanced to explain the less efficient administrative functioning of plural executive heads. The difficulty of developing aggressive policy, the negotiated (and negotiating) position of the chief executive, rapid turnover of board members, or, on the other hand, little or no turnover of board members - all these are among the reasons which limit the effectiveness of administrative boards. Confirming evidence that board-commission structural patterns do not insure strong fiscal support for the operation is cited in the St. Angelo research on state library policy. The report states:

> ...at present there is no clear pattern of the best relationship within state government for the highest support of library programs. There is evidence to indicate that agencies now located

> in state education departments fare somewhat better than other structures maintaining these agencies so far as funds go.[30]

ALA's Standards for Library Functions at the State Level are mute on the subject of the appropriate use of administrative boards and commissions.

To the extent that similar types of board structure are used in the administration of public library programs at the local level, the same kind of difficulties apply. It is reported that in many communities, public libraries are administered by quasi-public, self-perpetuating boards. The inherent policy and administrative limitations of boards are compounded by these added features.

The obvious alternative to be considered in redefining structure is to restrict the use of boards and commissions to an advisory status.

c. Permissive versus mandatory state legislation. The point already has been made that local governments can be utilized by the state, in whatever ways appropriate, to develop local public library services. Local home rule charter provisions represent broader grants of power, but even such measures frequently set constraints and general guidelines for the development of local services. Some observers see local governments primarily as delivery systems for providing basic community services, including library services.

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[30]St. Angelo, Hartsfield, Goldstein, Op. cit., pp. 66-67.

In the light of these basic state-local government relationships, the rather standard use of enabling, state legislation for the development and administration of local public library services should be examined. Typically, state statutes permit local units of governments to establish public libraries and grant authority for their fiscal support, frequently in the form of a prescribed maximum tax rate. The problem of prescribed tax rates will be discussed later. Here, the point is that standard use of permissive legislation provides not much in the way of incentive or urgency for the establishment and aggressive development of local public library services. The historical growth of public library and public education systems has been closely associated. Yet, it is interesting to note that there is little in the way of permissiveness in the state delegation of local public education responsibilities. The reasons for the distinction are obvious. However, it is suggested that the closer states can come to a general mandate for development of local public library services, supported by state administrative and fiscal incentives, the sooner such services will be upgraded and expanded.

d. The administrative and fiscal viability of regional library network organization. It has become important as well as fashionable in recent years to press for the regionalization of governmental services in a wide variety of functional areas, including public libraries. There are economic, political and functional reasons that can be advanced to support this developmental trend. Most of such reasons are rooted in the existing constraints and rigidities associated with the unchanging pattern of local jurisdictional boundaries.

Public libraries too, have moved in the direction of regional networks, but progress has been slow in spite of incentive financing measures in some states.

> The recent National Commission on Libraries report calls for networks of libraries; certainly the apex of the network, or its clearinghouse/control center, logically should be the state library. But the statement by an outsider - a non-state librarian - is not so effective or meaningful as the same thought voiced by someone with the responsibility for promoting and operating such a network. State librarians, indeed, have pronounced this concept viable; their acceptance of it, however, has not led to any record-breaking speed contest of implementation.[31]

Moves to regionalize other governmental services have also been more active in discussion stages than in specific implementation.

[31] St. Angelo, Hartsfield, Goldstein, Op. cit., p. 65.

While there may be sound justification for the regionalization of public library services, some caution should be stated and observed with respect to the timing and the strategic implementation of regional plans and development. Regional agencies are usually created by negotiation and compromise between levels and among units of government. In embryonic form they frequently lack organizational form, fiscal strength and an active political constituency. Thus, the superimposition of a regional network, with the essential attendant administrative structure, on the existing relatively weak governmental organization for public library services creates some doubt as to its strategic validity. A collection of weak local public libraries operating on the periphery of government does not make for regional organizational strength.

This observation by no means should be interpreted as undermining the library network concept that can be achieved by coordination, required operating relationships, and special fiscal support. But the effective discharge of administrative and developmental responsibility requires an operative political and fiscal base. Moreover, it would seem that proximity of source is perhaps the most vital single factor in establishing and developing general public library

services. Regionalization of selected, and specific kinds of information resources may well be more appropriate and defensible in terms of cost-benefit ratios. Given the history and existing status of public libraries in most states, it is difficult to see that a state-wide system of district or regional libraries would add administrative or fiscal strength towards the development of adequate local public library services. Perhaps a significant factor in insuring the administrative effectiveness of regional library networks would be for the state to delegate to the regional agency its full power to implement the development of regional systems. Regional public library agencies should then be held accountable to the state for development progress.

3. There is a need for systematically researched alternative plans for the distribution of public library costs, at adequate levels of service, among Federal, state and local governments.

Widely varying judgments are expressed in the literature with respect to a desirable or optimum distribution of public library service costs among levels of government. These data, which have been described earlier in this paper, share a common feature in that they all deviate markedly from the present approximate pattern of cost distribution - 88 percent local, 7 percent state, and 5 percent Federal. All reported judgments would significanly elevate the percentage of fiscal support from the state and Federal levels.

Review of the Library Services and Construction Act, as amended, provides evidence that the Congress also has expressed itself in terms of a higher Federal fiscal input for public libraries. Witness the $207 million authorized in the Act for FY 1972, compared to the $58.6 actually appropriated; and, of course, funds made available under the contining resolution are significantly below the 1972 level. The authorization - appropriation gap is a problem which extends far beyond the public library field and is a part of the on-going struggle for fiscal

power between the Federal legislative and executive branches. The deeper problem is that there seems to be little knowledge available about the total cost of equipping the nation with an adequate pattern of public library services. This is no easy task to perform, and it clearly involves some of the issues cited which deal with role, organization and structural questions. Nonetheless, it does not seem to be an insurmountable problem to develop reasonably valid estimates which reflect the current inventory of public library facilities and programs and the costs required for augmentation, expansion and upgrading to some level of service which has general acceptability. A measure of the gap between existing and goal oriented service levels should provide better information about the differential need for funding among states and jurisdictions within states. This kind of hard information and data is required to formulate viable fiscal support policies, including a more rational determination of the percentage of funding to be underwritten by the three levels of government. The oft cited statement that the support of public libraries is "fiscally insignificant" is neither a precise nor persuasive argument in the increasingly competitive battle for the public buck. New systematic research efforts to develop total cost estimates may validate that argument.

Notwithstanding the need for additional basic research on costs, there are other factors to be considered in resolving the issue on funding source and cost distribution.

a. Federal level. It is obvious that the amount and extent of federal funding has been small and has far from realized the expectations of the LSCA designers. The impact of revenue sharing could be extremely severe on the future development of public library services because it (1) cuts off further federal funding, (2) provides the states an opportunity to reduce or eliminate their matching fund contribution and, (3) leaves local public libraries with the need to face local political and fiscal decision-makers with increased budget requests due to Federal and state cut-backs. The problem will be especially severe in urban areas because of the mismatch of needs and resources, and with respect to regional library networks which operate on a state-provided fiscal base. Preliminary data indicating actual and proposed distribution of revenue sharing funds does not provide much hope that public libraries will receive priority consideration in applying for these funds.

Beyond the political dimensions of the current revenue-sharing versus categorical grant battle there is broad justification for continuation of substantial Federal funding. Public libraries do represent an activity and service, the benefits of which, in the terminology of modern public goods theory, extend beyond the individual and his local community. Moreover, for the reasons cited earlier, funding in support of public library services is a relatively late entry into the state and Federal financing scene. Substantial and direct Federal financing is particularly appropriate to assist in the up-grading of this service to a desired level. The continuing importance of public libraries as an information resource and a civilizing force in an imperfect modern society is ample evidence of need for continued Federal involvement and support.

b. State level. Considerations affecting state level involvement in funding public libraries are obvious. Clearly, in terms of public finance theory and practice, the state has basic responsibility for the development of public libraries which meet the needs of all its citizens. The

state has the fiscal resources to implement this responsibility. However, a reading of the data in the public library field describing the state pattern of development, the level of state fiscal support makes it abundantly clear that the vast majority of states have not adequately met this responsibility. Nor has the LSCA achieved great success in triggering more than a modest flow of additional state dollars.

In determining an appropriate level of public library funding from state sources, consideration should be given to developments in public education financing. In that field, a recommended course of action made by a number of prestigious study groups, including the Advisory Commission on Intergovernmental Relations and the President's Commission on School Finance, call for full state funding (90 percent level) of the costs of public education. The basic factors which support these conclusions are also germane to the public library field: (1) differential need for educational services to meet the requirement of equalized opportunity, and (2) intra-jurisdictional fiscal disparities for the equitable support of public education. The Serrano v. Priest case carried this issue

to the courts. The Rodriguez v. Texas decision by the U.S. Supreme Court invalidated the Constitutional, but not the social and fiscal relevance of the issue. The President's Commission recommendation is instructive:

> The Commission recommends that State governments assume responsibility for financing substantially all of the non-Federal outlays for public elementary and secondary education, with local supplements permitted up to a level not to exceed 10 percent of the State allocation.
>
> The Commission further recommends that State budgetary and allocation criteria include differentials based on educational need, such as the increased costs of educating the handicapped and disadvantaged, and on variations in educational costs within various parts of the State.
>
> To aid the States in moving toward this objective, the Commission also recommends a general purpose Federal incentive grant that would reimburse States for part of the costs of raising the State share of total State and local educational outlays above the previous year's precentage. This would be contingent on the submission by a State of a plan for achievement of full State funding over a reasonable period of time.[32]

c. Local Level. The central consideration in local government source funding is the property tax. In 1970, local governments raised $39 billion in revenue from local sources; $33 billion (85 percent) of this total was derived from property taxes,

[32] Schools, People & Money, The President's Commission on School Finance, Washington, 1972, pp. 36-37.

primarily the tax on real estate. Nearly half ($17.4 billion) of all local property taxes were expended for public education, and the relative portion has probably increased since 1970.[33]

The difficulties with the real property tax are many and well-known. The tax is determined on an ad valorem basis which means that the amount of the tax for each property owner is directly proportional to the appraised value of the land and buildings. The prime difficulty lies in determining and setting the appraised or assessment value. Most state laws or constitutions call for an assessment value on each property reflecting what a willing buyer would pay to a willing seller under open market conditions. Some states prescribe that market value shall be considered but not controlling. The difficulties increase infinitely in determining assessment values for industrial, commercial and natural resource property which, under the laws of many states, must be assessed and taxed at uniform rates of taxation.

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[33] Ibid, p. 27.

Assessment administration is usually a function of local governments, under a varying pattern of state supervision and oversight. The function is technically difficult to administer and, not suprisingly, is most vulnerable to direct and indirect political pressure. Problems with respect to assessment administration developed in most acute form in relation to state educational financing systems. Because the total assessed valuation of real estate was used as a measure of the fiscal capacity of local jurisdictions, and because it represented a widely varying percentage of "true" or market value, states were forced to develop separate estimates of market value, and to determine the average assessment ratio in each local school district. Efforts to bolster and improve assessment administration go on apace, but practices still vary widely among jurisdictions.

There are still more difficult problems with respect to ad valorem property taxation. To some extent, it is inherently regressive in impact: the poor property owner pays a higher percentage of his income under this tax than the rich, and sometimes he is regressively assessed.

The income-property value relationship varies also among classes (residential, agricultural, industrial, etc.) of property. Only a few states have responded to the need to provide a classified property tax permitting differential rates of taxation which would reduce the income-equity problem. In the 1973 primary election in Pennsylvania, for example, voters authorized a constitutional amendment which will provide differential assessment of agricultural land.

Difficulties related to property taxation are felt in all types of jurisdictions, but particularly in urban areas. Hence, burgeoning metropolitan area growth coupled with the flight of the white middle class, has left core cities with a restricted property tax base, high tax rate, and increasing funding requirements to meet local needs. The clamor of the so-called taxpayers' revolt focuses, perhaps mistakenly, on the property tax. Presidential response to this pressure late in 1971 resulted in a request to the Advisory Commission on Intergovernmental Relations to explore the use of a value-added tax as a substitute for the residential property tax used for school purposes. The investigation did not recommend such a change, but

it did opt for improvements in property tax administration.

Adjustments, corrections and improvements can be made in the utilization and administration of property taxation. Most observers feel, however, that it will continue to provide the basic source of revenue of local government. State take-over of public education funding would, of course, provide much local relief. That course of action remains only a promise of the future in the vast majority of states.

These are the factors to be considered in appraising the continuation of local funding of public libraries at the present high level. They provide heavy evidence that a substantial shift is required if we hope to sustain a viable pattern of public library services.

4. More responsive, strategically designed methods of financing public library services, featuring tighter accountability and performance improvement requirements, should be explored.

Governmental financing mechanisms reflecting enunciated goals in any functional area should be strategically designed to achieve those objectives. This means that efforts must be made to identify goals and objectives in specific terms, and to fashion a subvention system related thereto. Fiscal accountability and the possibility of sustained support for the program is thus maximized. Intergovernmental financing systems - where support funds come from more than one level of government - should be integrated or sufficiently coordinated so that the combining of funds enhances the impact of each component. We are talking here about direct support governmental funding systems, not revenue sharing or tax redistribution measures. The objective of direct support aid systems is to insure the provision of specific services, at stated levels of performance, in accordance with identified, differential patterns of need, and reflecting differential abilities of subordinate governmental units to provide complementing fiscal support. The objective of tax redistribution mechanisms is to do just that -

to redistribute equitably revenues collected by a higher level of government in accordance with generalized measures of fiscal need, and/or measures reflecting the relative amount of tax revenues paid by residents of subordinate jurisdictions. The point is that these objectives are different, requiring quite different bases and methods of fund distribution. The first is a function or service oriented fiscal aid system; the second has a purely fiscal orientation. Fiscal aid systems which combine these separate objectives tend to thwart or dilute the achievement of either. Nevertheless, legislative development of fiscal aid formulas provides wide opportunities for bargaining, the result of which produces "pot-sweeteners" and a variety of adjustment factors which may blur objectives.

Federal aid to public library systems has existed in organized form since the 1956 Library Services Act. Some state-aid systems for libraries existed before that time; in addition several states established or revised their aid systems as a result of LSA and the LSCA. The history of local aid to library systems is much longer. Each of these types of aid systems should be reexamined to determine their efficiency and validity in the light of restated objectives and current library development and need patterns.

a. Library Services and Construction Act. The fiscal support provisions of this act have proven to be an effective, perhaps crucially important, stimulus in the development of public library services. The possibility of making substantial improvement in the mechanism should be explored, however.

The three separate titles of the act relating to (1) services, (2) construction and (3) development of library networks represent an effort to allocate and target the funds toward specific purposes. The 1970 amendments called for strengthening state library agencies, a special emphasis on services to the disadvantaged, and an effort to use metropolitan libraries as resource centers. It was hoped that additional funds could be provided to support the statement of new emphases, but that hope was not realized. This effort is noteworthy because it represented an attempt to include a differential need for library services, not otherwise reflected in the act. The strategic administrative implications of developing network arrangements (Title III) has already been discussed and should be evaluated in the light of the special funding of this activity. The legislative and administrative bases for the allocation of funds among the different titles is not known and should be further researched as part of an overall

planning effort. By far the largest amount was used for Title I expenditures covering, in general, the following items:

(1) The administration of the Federal program;

(2) Grants-in-aid to local public libraries;

(3) Statewide library programs, such as bookmobile service, consultancy service, workshops, etc.;

(4) Strengthening State library agencies;

(5) Special projects, such as service to the economically disadvantaged and physically handicapped;

(6) Training and fellowships;

(7) Centralized processing of books and other materials;

(8) Other services.

Surprisingly, only about 13 percent of the total LSCA funds in 1971 and 1972 was expended for grant-in-aid programs in support of local public libraries. In view of the status of their development and the difficult financial conditions of most local governments, this modest allocation should be evaluated. In 1971, nearly half of all LSCA funds were expended for multi-unit project services, and half of that amount (28.5 percent) was used in support of statewide program development. The need to upgrade statewide agencies and their programs has been supported in the literature. The emphasis on national priority projects resulting from the 1970 amendments caused

a pronounced increase in these expenditures, mainly in response to state requested augmentation of services for the handicapped and disadvantaged and similar programs. In the absence of additional Federal funds for these purposes, the data show a shift of funding from multi-unit project services to the newly defined priorities.

As a fiscal subsidy method, the LSCA provisions represent a rather crude mechanism utilizing factors more appropriate in a tax redistribution scheme than a goal oriented aid system. The total cost of the "floor" ($200,000 - Title I, $100,000 - Title II, and $40,000 - Title III), representing the minimum grant to each state, could equal $17 million, or nearly 30 percent of the 1972 total appropriation of $58.6 million. That seems to be an expensive underwriting of the status-quo in a functional area where directed expansion and development are needed. Undoubtedly, some needed development was provided, but it is difficult to achieve planned objectives under this kind of arrangement. Population ratios used in fund allocation and per capita income ratios used in determining state matching requirements are also crude measures, without much if any relationship to the differential need for public library services and the differential ability to provide such services.

The LSCA also makes heavy use of the plan device in the administration and utilization of federal funds. This is a valid technique, but difficult to use because it requires intensive staff evaluation, including revision, of submitted plans, and a real ability to reduce or cut off funds if the state plan or its implementation does meet standards. It is doubtful that any state funding under LSCA was reduced or eliminated through enforcement of the plan requirement.

Another area to be considered relative to federal funding is the need to consolidate or better coordinate the many separate federal funding programs and mechanisms impacting on public libraries. The ideal solution is to consolidate such funding activity under one agency and program. A second way is to place consolidating and coordinating responsibility and authority in the agency principally responsible for public library development.

b. State Public Library Support Programs. As previously indicated, a total of 35 states authorize some form of state aid to public libraries. As of 1970-71, however, only 23 states made appropriations for this purpose. The total amount appropriated was $52.5 million. The interesting point is that of this total, 9 states appropriated $45 million, or 82 percent of the total for all states. Moreover, New York State alone appropriated $15.5 million, or about one-third the total for the 9 states. This indicates, of course, that in the majority of states the aid system for local public libraries operates at a nominal level.

This fact is substantiated by a recent USOE analysis of the effect of phasing out LSCA funding. Of 17 "high income" states, 4 had either no state subsidy program or one that represented an appropriation of less than $200,000. Of 33 "low income" states, 18 were in this zero or nominal aid category. The distinction between high and low income states was based on whether the states were required to match federal funds at above or below the 50 percent standard level.[34] Incidentally, it can be deduced from this analysis that neither high nor low income states will fare well in the amount of funds

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[34] The Effect of the Phasing Out of The Library Services and Construction Act on High and Low Income States - Summary Analysis, USOE, 1973 (unpublished), Tab C.

available under LSCA compared to preliminary allocations of local revenue sharing funds. This confirms an earlier point made.

The PAS study on patterns among the states for supporting public libraries makes clear that there are three primary types of systems for disbursing state aid. Four states, California, Illinois, Michigan, and New York, use the plan device and require local libraries to submit plans stipulating reorganization of the library system as a "separate legal entity," providing wide access, designation of a headquarters library, and providing "adequate" local tax support. A second model is used by Pennsylvania, Rhode Island, Massachusetts and New Jersey. This approach uses elements of the total system notion and establishes several strata of libraries with regional or district level responsibilities. Such libraries may receive separate state funding. A third method, described as the Maryland approach, is a modified matching system in which the state provides a fluctuating percentage of local library revenues.

The general standards and criteria suggested earlier against which financing methods can be examined are equally appropriate with respect to state subsidy methods. Further emphasis should be given at the state level to subsidy factors and

criteria which provide and implement discriminating measures reflecting differential library service needs, as well as differential ability to support such services. Adjustments to take cognizance of municipal overburden factors are of special importance. None of the plans examined in broad outline form seem to fully or adequately reflect these factors. ALA's Standards for Library Functions at the State Level contain good general criteria for the evaluation of current state subsidy systems.

The general finding of the St. Angelo study is confirmed by this analysis:

> Continuing review should be made of grants-in-aid programs and their relationships to local appropriations for local services. Legislation may be needed either to correct inequities or to provide a better sharing of responsibilities. Special reference to metropolitan areas and services to low-income minority groups should also be reviewed.[35]

c. Local Support Systems. It is clear that the primary determinant of local public library support systems is the availability of local tax revenues, principally real estate tax proceeds. In the main, local public libraries can expect only the right to compete with other demands for a share of the local government operating and capital budgets.

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[35]St. Angelo, Hartsfield, Goldstein, op.cit., p. 64.

Special taxes and sequestered funds, earmarked for library services, are subject to their own risks and limitations. Moreover, they represent poor public finance policy in most instances. Local tax rate limitations, built into so many state library statutes, were probably designed to guarantee at least minimum funding. In some cases they now may well represent maximums, and could inhibit the continued development of needed library services. In any event, sound public finance policy would support their elimination.

Regional taxing and fiscal support schemes, often discussed as a desirable way to correct the mismatch of needs and resources at the local level, offer little immediate hope of substantially altering existing fiscal imbalances among local governments. Even the much discussed Twin Cities "share the growth plan," developed under the aegis of the St. Paul-Minneapolis council of government organization, represents only a primitive beginning towards the solution of a most serious metropolitan area problem. The ideas are noble; the political and practical obstructions to progress remain.

So, an important part of public library funding is likely to remain at the local level, subject to all the vagaries and problems current in the local government finance picture. It is hoped that substantial shifts in the burden of funding can be made to achieve a better balance. It is also hoped that the mechanisms of financing, at all levels of government, can be made more responsive and discriminating. Such developments are appropriate in terms of the fiscal and functional dimensions of providing the full range of public library services to meet the present and future needs of modern society.

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